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AMERICAN ARBITRATION ASSOCIATION

In the Matter of the Arbitration between
Syncor International Corporation
AND
David L. McLeland
CASE NUMBER: 55-160-0073-95

REVISED NOTICE OF HEARING

Benjamin L. Bailey, Esquire
Thomas A. Heywood, Esquire
Bowles Rice McDavid Graff & Love
P. O. Box 1386
Charleston, WV 23523-1386

Robert E. Holroyd, Esq.
Johnston, Holroyd
& Associates
1438 Main Street
Princeton, WV 24740

Please Take Notice that a Hearing in the above-entitled Arbitration will be held at

AT: Holiday Inn Heart of Town
1000 Washington Street East
Charleston, WV 25301
DATE: August 21, 1995
TIME: 9:30 A.M.
BEFORE: David V. Breen, Esquire

Please attend promptly with your witness and be prepared to present your proofs.

Dated: July 12, 1995

Bonnie L. Clouse
Case Administrator

APPENDIX A

NOTICE: The Arbitrator(s) have arranged their schedule and reserved the above date to meet the convenience of the Parties. Therefore, every effort should be made to appear on the date scheduled. In the event that unforeseen circumstances make it impossible to attend the hearing as scheduled, the Parties are to request a postponement no less than 48 hours before the time and date set for hearing. All requests for postponements must be communicated to the Case Administrator (not the Arbitrator). There should be no communication between Parties and the Arbitrator other than at oral hearings.

NOTE: A CHARGE WILL BE MADE FOR POSTPONEMENT OF ANY HEARING.

PLEASE SEE RULES.

cc: David V. Breen, Esquire
Phylis Grandchamp -
Holiday Inn

Form 8-AAA-C-1/82

EXCERPTS FROM TRANSCRIPT OF MARCH 12, 1996 HEARING

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA
AT BLUEFIELD

SYNCOR INTERNATIONAL CORPORATION, a Delaware corporation, Plaintiff, v. DAVID L. McLELAND, an individual, Defendant.	NO. 1:95-0565 DATE: March 12, 1996

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE DAVID A. FABER
UNITED STATES DISTRICT JUDGE
IN BLUEFIELD, WEST VIRGINIA

Court Reporter: Teresa L. Anderson, RDR
(304) 465-8132

Proceedings recorded by mechanical stenography;
transcript produced by computer.

APPENDIX B

A. It would have been sometime around the first or middle of March. I can't really remember --

Q. But it was after you finally severed employment?

A. Oh, it was after I was finished in Memphis, yes.

Q. In mid-February?

A. Correct.

Q. All right. When did you first learn that they were objecting to you operating your own shop?

A. I received a phone call from Mr. Bagerdjian at my home.

Q. Do you know when that was?

A. It would have been after the 15th of February. I can't remember for sure.

Q. All right. They called upon you to arbitrate this disagreement you were having with them; is that correct?

A. Correct.

Q. And why did you not arbitrate it with them?

A. Well, first off, I didn't feel that they could invoke the Consulting Agreement because they didn't give me 90 days notice. And, I guess, you know, the second opinion in my mind, the way I read the agreement, was that if I had a problem with the way they terminated me, then I had the course of going

to arbitration, but the main thing was they didn't give me 90 days notice before they terminated me, so that was what they were trying to get me to do, and since they didn't do that, I didn't feel it was necessary for me to spend my

* * * *

McLeland - Cross

Q. All right. So at least since 1990 you had worked for Syncor according to the terms of the Invention, Secrecy & Other Matters Agreement?

A. Right, and this one is different than the one I signed --

Q. In '95?

A. Correct. It's different, and it contains different language.

Q. Right. When you were a regional manager for Syncor, what were your responsibilities?

A. What were my responsibilities? My responsibilities were to oversee the operations of various pharmacies that were given to me to oversee.

Q. How many?

A. It varied; anywhere from five to ten.

Q. At different points in time?

A. Correct. They fluctuated, depending on how things were organized and reorganized.

Q. Okay. How many employees were --

A. How many direct? Well, I would have direct reports of the pharmacy managers of five to ten, but underneath those then there would be their reports to those people, so I would be responsible for all of those people.

Q. About how many would that have been, top to bottom?

A. Oh, I couldn't answer that. I mean, it could -- you know, it could be up to a hundred people, maybe, but I basically dealt with the pharmacy managers, and then it was their responsibility to -- you know, I would only have conversations with them if there were any difficulties with the pharmacy manager and them.

Q. What's the amount of revenues involved in those five to ten pharmacies?

A. It varied anywhere from ten to twenty-five million dollars.

Q. Ten to twenty-five million?

A. Correct.

Q. And that was under your supervision; right?

A. Correct.

Q. Did the company pay expenses -- or any expenses associated with your airplane?

A. My airplane?

Q. Uh-huh.

A. They basically reimbursed me. When I would fly somewhere, they would reimburse me for the time -- if it was cheaper for me to fly than be on a commercial airline, then they would reimburse me for that.

Q. Pay for the insurance?

A. No, they did not. They carried a separate policy for their own liability, but they didn't pay my insurance.

Q. Okay. They carried a separate policy that had to do with liability?

A. Yeah. They were afraid I would fall into a school bus,

* * * *

THE WITNESS: No, thank you.

BY MR. BAILEY:

Q. The name of the pharmacy that you owned stock in was Princeton Diagnostic Isotopes, Inc.; right?

A. Correct.

Q. You had counsel in setting that up; is that right?

A. Correct.

Q. And you were notified of Syncor's request for arbitration; right?

A. Correct.

Q. And declined to participate; right?

A. Correct.

Q. And you have reviewed the order of the arbitrator?

A. I've read it, yes.

MR. BAILEY: I don't have anything else, Your Honor. Thank you.

THE COURT: All right. Mr. Holroyd, Mr. Williams, do you have anything else?

MR. HOLROYD: May I have just a moment to confer, Your Honor?

THE COURT: Yes, you may.

REDIRECT EXAMINATION

BY MR. HOLROYD:

Q. You testified concerning some conversations you had with your supervisor about setting up this shop here in Princeton;

* * * *

MR. BAILEY: Sure, Judge.

THE COURT: Mr. McLeland, when you signed the Arbitration Agreement on the 5th of January, 1995, did you read it before you signed it?

THE WITNESS: Yeah.

THE COURT: Did you have any discussions with anybody at Syncor about whether you wanted the agreement in that form or another form or anything?

THE WITNESS: No, because, basically, you know, I had worked for them for twelve years and, you know, I had a good relationship with my supervisor, and, you know, I didn't see that -- you know, it was something that everybody signed so you could process your paperwork, so it was just going to slow stuff up, and the way I read it was if I had a problem with the way that I was terminated then I could use arbitration as a means to resolve it.

THE COURT: Did you have any concerns or misgivings at that time about entering into that Arbitration Agreement?

THE WITNESS: No, because my supervisors were helping me set the pharmacy up, and basically after the pharmacy was set up, I was going to go back and do relief work for them, so I didn't see it to be a problem, because everything was aboveboard, and there was nothing -- you know, as far as the inventions and secrecy, everybody was aware of what I was doing, so it wasn't a secret at that point in time, ...

* * * *

McLeland Cross

... from Huntington; it was going to be forty some miles for me. They told me that it would be okay for me to go in and speak with those customers and that the customer could decide what was best for them.

Q. Same customers?

A. Same customers.

Q. Raleigh General -- at least two hospitals here; right?

A. Raleigh General and Beckley. They gave me the authority -- they said that I could go in and talk to those people.

Q. You also agreed in that Invention, Secrecy and Other Matters Agreement not to attempt to entice other employees to leave or breach any agreement they had with them, didn't you?

A. That's correct.

Q. And do you recall, sir, that in your original employment agreement that it contained -- that in it you had agreed not to solicit other employees from Syncor for two years after termination?

A. That's correct.

Q. And you had agreed not to compete for 90 days?

A. That's correct.

Q. And you agreed to an injunction against any violations of it?

A. It that was in the agreement, I agreed to it.

Q. Mr. McLeland, you had --

THE COURT: Do you want some water?

* * * *

November 28, 1994

Mr. David McLeland
Operations Analyst

Dear David:

As the enclosed memo from the Officers explains, it has unfortunately become necessary to eliminate your position with Syncor for business reasons. It is with regret, therefore, that we must inform you that your last day of employment will be December 31, 1994.

The purpose of this letter is to outline your final compensation and severance benefits:

1. You will receive 10 weeks severance pay in accordance with the Company policy as stated in the Employee Handbook.

2. You will also be paid any accrued but unused vacation and floating holiday hours to which you would normally be entitled as of December 31, 1994.

3. If applicable, all normal deductions will be made from your final paycheck and you will be covered by the Flexible Benefits plan through the end of the month in which you terminate. The Benefits Department will send you the materials necessary to continue your medical insurance as outlined in the COBRA legislation directly to your home address within a couple of weeks following your last day worked. (COBRA legislation affords you the opportunity to continue medical, dental

and vision benefits at the Company's group rate, plus a 2% administrative charge. Normally, you can continue at this rate for up to 18 months.)

4. As a special consideration, and in light of the circumstances in this particular situation, if you return all Company property (if applicable) and choose to sign the enclosed "AGREEMENT AND RELEASE," you will receive additional severance pay for twelve (12) weeks.

Human Resources will be available to assist you in resume preparation. If you'd like this assistance, please see the enclosed flyer for details, or speak with me about it.

If you would like some time to review this Agreement, preferably with you attorney, please do so. In order to receive these additional benefits, Human Resources will need to receive your signed Agreement no later than January 14, 1995.

Also, because your position has been eliminated through no fault of your own, you will not be obligated to reimburse Syncor for the relocation assistance we gave you.

You will receive your regular severance, vacation, floating holiday and final work hours pay in a lump sum check by December 31, 1994. If you elect the special consideration severance pay, you will receive the additional lump sum within seven days after receipt of your signed Agreement, but no earlier than your last day. If you have any questions when you receive your final check(s) or you need assistance with anything else, please do not hesitate to contact me at extension 4459.

We have also included in this packet a pamphlet for US Behavioral Health, the Company's employee assistance program. This is a pre-paid benefit for you so please do not hesitate to contact them if you feel you need to use their counseling services. They will extend their services for you convenience until the end of December. Their toll-free number is included in this packet, so please contact them if you feel it would be helpful. Your call will be treated with strict confidence.

Sincerely,

Sharon Green
Human Resources

I hereby acknowledge receipt of this letter and understand that my signature only indicates receipt:

_____ _____

Employee Date

March 30, 1995

Mr. David L. McLeland
103 Karie
Sellersburg, IN 47172

Dear Mr. McLeland:

I am writing to inform you that Syncor hereby exercises its options to engage you as a consultant according to the Director/Manager Employment Agreement which you last signed on January 30, 1993, a copy of which is attached hereto. Pursuant to Syncor's exercise of this option, enclosed are duplicate originals of the Consulting Agreement for your signature. Please return one fully executed copy to me and retain one for your files. Syncor is also providing a copy of this letter and the Consulting Agreement to your attorney, Mr. Robert Holroyd, and has also informed Mr. Holroyd of its exercise of the option to engage you as a consultant.

Very truly yours,

Robert G. Funari
Executive Vice President and
Chief Operating Officer
cc: Robert E. Holroyd, Esq.

APPENDIX D

STOCK SUBSCRIPTION ASSIGNMENT

I, Randall L. Trautwein, do hereby assign to David McLeland, the right to subscribe to fifty (50) shares of capital stock, and to Wade Hopkins, the right to subscribe to fifty (50) shares of capital stock, of Princeton Diagnostic Isotopes, Inc., a West Virginia corporation, which subscription right arises from that certain stock subscription agreement dated February 1, 1995.

_____

Randall L. Trautwein

APPENDIX E

BOWLES RICE
MCDAVID GRAFF & LOVE
POST OFFICE BOX 1386
CHARLESTON, WEST VIRGINIA 25325-1386

June 2, 1995

347-1178

VIA FACSIMILE - (412) 261-6055

Cheri Bugajski, Case Administrator
American Arbitration Association
419 Gateway Four
Pittsburgh, Pennsylvania 15222-1207

Re: In the Matter of the Arbitration Between Syncor Corporation and David L. McLeland
Case Number: 55-160-0073-95

Dear Ms. Bugajski:

My law firm represents Syncor International in the above-referenced matter. We have no objection to any of the arbitrators whose names you previously sent us.

With this letter you will also find a list of potential witnesses, their affiliations and addresses, to the best of our knowledge. Please let us know if you have any questions.

APPENDIX F

Sincerely,

Benjamin L. Bailey

BLB:glc
Enclosure